

COUNCIL ON HUMAN SERVICES

MAY 7th and 8th, 2013

MINUTES

COUNCIL MEMBERS

Mark Anderson
Phyllis Hansell
Arnold Honkamp
Mark Peltan
Guy Richardson
Kim Spading
Roberta Yoder

EX-OFFICIO MEMBERS

Representative Joel Fry (absent)
Representative Lisa Heddens (absent)
Senator Amanda Ragan (absent)
Senator Jack Whitver (absent)

STAFF

Chuck Palmer
Jean Slaybaugh
Rick Shults
Vern Armstrong
Nancy Freudenberg
Julie Allison
Linda Miller

Sally Titus
Wendy Rickman
Lorrie Tritch
Jennifer Vermeer
Lindsay Buechel
Julie Fleming

GUESTS

John Harvey, VOCAL
Dennis Tibben, Iowa Medical Society
Mary O'Brien, Visiting Nurse Services

TUESDAY, MAY 7TH

CALL TO ORDER

Mark Peltan, Chair, called the new member Council orientation to order at 10:00 a.m. on Wednesday, May 7, 2013, in the First Floor Conference Rooms of the Hoover State Office Building. As a quorum was present, the meeting was open to the public.

ROLL CALL

In addition to new Council members Arnie Honkamp, Guy Richardson, and Kim Spading, Mark Anderson and Mark Peltan were also present. (Phyllis Hansell and Roberta Yoder as well as the ex-officio legislative members did not attend.)

Chair Peltan welcomed the new members to the DHS Council. The meeting began with introductions. All members provided personal background and employment information.

Peltan requested Council members share goals they may have for the next year:

- Peltan -- to integrate the three new members and to continue with the projects the agency has been working on as well as monitor health care reform;
- Anderson --- a smooth transition into the affordable health care act;
- Honkamp – within the first year learn the activities/operation of the agency. He wants to be involved and learn as much as possible in the shortest period of time so he can contribute to the decision-making that occurs. He realizes this is a tremendous undertaking as he has reviewed the budget;
- Spading -- believes she can contribute by looking at balance between funding and services provided. She also said she is interested in supports for families particularly in the mental health arena; and
- Richardson -- to learn fairly quickly the activities of DHS and hopes he can contribute to the decision-making process of the Council. He said he is concerned with the opportunities that may exist in state government for fraud and misuse of funds.

Peltan distributed Iowa Code Section 217.2-4. This section establishes the composition of the Council as well as speaks to the duties of the Council. He welcomed new members to visit facilities or programs they are interested in and informed them the Council tries to travel to a facility at least once a year. Peltan also distributed the table of organization for the Department.

Sally Titus, Deputy Director for Program and Services, provided an overview of why the Department of Human Services exists as well as high level operational aspects. She advised of the agency programs goals and spoke about the clients we serve. She noted many services provided are in partnership with other entities; however, the

agency administers and provides direct services in the Department's nine facilities (two resource centers; four mental health institutes; two juvenile facilities, and the Civil Commitment Unit for Sexual Offenders (CCUSO).

Titus said the Department's total operating budget is over \$5 billion and she provided statistical information from the SFY 2014 and SFY 2015 budget book. As stewards of public funding, Titus also spoke of program integrity programs within the agency.

The following division administrators provided an overview of the programs and services administered within their respective divisions:

- Wendy Rickman, Division of Adult, Children & Family Services
- Rick Shults, Mental Health and Disability Services
- Jennifer Vermeer, Iowa Medicaid Enterprise
- Vern Armstrong, Division of Field Operations
- Lorrie Tritch, Division of Data Management
- Jean Slaybaugh, Division of Fiscal Management

Nancy Freudenberg, Compliance Officer, also provided an overview of the administrative rule process.

Council recessed at 5:00 p.m.

WEDNESDAY, MAY 8TH

Chair Peltan called the Council meeting back to order at 8:30 a.m.

ROLL CALL

All Council members were present. Ex-officio legislative members Representative Joel Fry, Representative Lisa Heddens, Senator Amanda Ragan and Senator Jack Whitver were absent.

Peltan requested Hansell and Yoder introduce themselves to new Council members. Both members provided personal and employment information. Yoder said she has just completed ten years serving on the Council and is about to complete her master's degree at UNI. Hansell said her service on the Council has been a very interesting, educational experience and her goal is to continue to understand the programs of the agency. She noted she has visited some of the programs individually. Honkamp said he would be interested in joining members visiting programs individually as well.

Peltan thanked DHS staff for the presentations and the information provided at the orientation session. He found it very worthwhile.

RULES

Nancy Freudenberg, Bureau of Policy Coordination, presented the following rules to Council.

1. Amendments to Chapters 77, 78, 79 & 83, Medicaid. Changes the name of the Ill and Handicapped Waiver to the Health and Disability Waiver.

Freudenberg said one comment was received and a change was made.

A motion was made by Yoder to approve and seconded by Anderson. MOTION UNANIMOUSLY CARRIED.

2. Amendments to Chapter 88, Medicaid. Clarifies policy on the treatment of income and resources for institutionalized spouses who apply for the Program for All-Inclusive Care for the Elderly (PACE).

Freudenberg said no comments were received and no revisions were made to the noticed rule.

Peltan requested a future agenda item be an update on the PACE program.

A motion was made by Richardson to approve and seconded by Hansell. MOTION UNANIMOUSLY CARRIED.

3. Amendments to Chapter 92, Medicaid. Implements notice of premium amounts for medical assistance benefits under the IowaCare program based on the increase in federal poverty level (FPL).

Freudenberg said no comments were received and no revisions were made to the noticed rule.

A motion was made by Anderson to approve and seconded by Hansell. MOTION UNANIMOUSLY CARRIED.

4. Amendments to Chapter 92, Medicaid. Amends language to include Native American health care providers as providers in the IowaCare network to serve IowaCare-eligible Native Americans.

Freudenberg said no comments were received and no comments were made to the noticed rule.

A motion was made by Yoder to approve and seconded by Richardson. MOTION UNANIMOUSLY CARRIED.

REPORT OF NOTICED ACTION

N-1. Amendments to Chapter 7, Appeals and Hearings. Clarifies terminology regarding prehearing conferences and informal conferences.

N-2. Amendments to Chapter 75, Medicaid. Decreases premiums for applicants and recipients under the Medicaid for Employed People with Disabilities program with income over 150% of the federal poverty level.

Hansell requested a description of the persons that get captured in this rule. Medicaid Director Vermeer stated the purpose of this program is to provide assistance to people with disabilities who are working. Sometimes they need care and support and cannot access insurance that allows them to remain gainfully employed. This program does not have an income cap. Rather it is cost sharing with a premium the member would pay to offset the cost of this care. Hansell requested she further be provided an explanation of the criteria Social Security uses to determine a disability and a general description of conditions of those persons.

N-3. Amendments to Chapter 75, Medicaid. Decreases statewide average cost of nursing facility services to a private pay person.

N-4. Amendments to Chapter 75, Medicaid. Updates the average charges for PMICs and MHIs and the maximum Medicaid rate for ICF/IDs which are used to determine the disposition of the income of a medical assistance income trust.

N-5. Amendments to Chapters 77, 78, and 79, Medicaid. Implements the integrated health home for members with serious and persistent mental illness (SPMI) as defined in the state plan. This is phase two of a planned implementation meeting federal guidelines for this program.

Council members had earlier been sent information on the Healthy Iowa Plan. Medicaid Director Vermeer said DHS is moving towards models and programs that provide for coordination of care for persons with multiple chronic conditions. The current models do not work well for adults and children with chronic mental illness due to the specific aspects of their conditions and the service system that is utilized.

Vermeer said a state plan amendment has been filed and staff are currently working with the Centers for Medicare and Medicaid (CMS) for approval. An integrated health home is a team of professionals working together to provide whole-person, patient-centered, coordinated care for adults with a serious mental illness and children with a serious emotional disturbance. The IHH will be administered by the Medicaid Behavioral Health Care Managed Care Organization (Magellan Behavioral Care of Iowa) and provided by community-based IHHs. Vermeer said these homes will be implemented on a phased-in basis and she elaborated on the phases.

Vermeer said the Integrated Health Home (IHH) will serve a greater number of people than are currently served through the Medicaid service “targeted case management (TCM).” After a six-month transition period, individuals assigned to an IHH will not be permitted to access TCM. They will instead receive all of their care coordination through the IHH. Vermeer said she believes, in general, people are supportive of the concept, but there have been many comments/conversations with legislators by county officials and targeted case managers regarding what their role will be. She said identification of who the IHH will be in a particular area and working with the community to determine the relationships and structure, it may be possible for an IHH to subcontract with TCM.

Council and staff had a lengthy discussion of expectations of IHH, team member composition, the phases of implementation, accountability and financing, what the Department is learning from the pilots on health homes, and ongoing DHS communication with entities. Notices have not yet been issued to members notifying them of this opportunity. Public hearings will be scheduled and Titus explained the goal and specifics for these.

Honkamp asked if there were material that would better inform Council on how this concept evolved, standards, process, and accountability. Vermeer responded this has been an evolving process and there is not one particular report but a lot of material in many places. This was the work of the Children’s Disability work group for two years, the adult section is part of the mental health redesign, there are presentations that have been prepared by Magellan, and the state plan amendment. Deputy Director Titus said she had literature she would share with Honkamp and would reference it on the DHS web site.

Peltan felt it important for Council members to remember that the whole idea of integrated health homes is not just for mental health services. This is not just the state of Iowa (Medicaid) moving in this direction, it’s Wellmark and other health care organizations as well.

N-6. Amendments to Chapters 78 and 79, Medicaid. Amendments clarify language for medical equipment and supplies.

N-7. Amendments to Chapter 79, Medicaid. Federal initiative that sets the base year for calculating the hospital incentive program. Permits an alternate option for children’s hospitals to participate, using a specially assigned number by CMS.

Hansell requested to know how this rule will provide greater flexibility for providers to meet patient volume requirements and receive federal funding. Medicaid Director Vermeer provided an explanation of the changes in the federal regulations.

N-8. Amendments to Chapter 170, Child Care Assistance. Revises the child care assistance fee chart based on new federal poverty levels.

A motion was made by Anderson to accept the Director's Report of Noticed Action and seconded by Yoder. MOTION UNANIMOUSLY CARRIED.

APPROVAL OF MINUTES

A motion was made by Yoder to approve the March 13, 2013, minutes and seconded by Anderson. Motion carried with Anderson, Yoder, Hansell and Peltan voting affirmative. Honkamp, Spading, and Richardson abstained.

Peltan requested a change be made on page 6 of the April 10, 2013, minutes. He requested the 3rd paragraph be changed to read "he personally believes Medicaid expansion would be the way to go but he also believes the Healthy Iowans plan has good ideas that he would like to see incorporated into Medicaid expansion as a waiver, if that could be managed."

Hansell requested on page 6, first paragraph, second sentence be deleted.

A motion was made by Anderson to approve the April 10, 2013, minutes with corrections and seconded by Yoder. Motion carried with Anderson, Yoder, Hansell, and Peltan voting affirmative. Honkamp, Spading, and Richardson abstained.

MEDICAID UPDATE

Jennifer Vermeer, Medicaid Director, introduced Michael Bousselot, the Governor's Health Policy Advisor. All Council members introduced themselves and Bousselot provided personal and past employment information with members.

Bousselot said when Governor Branstad was elected to office he had four clear goals: 1) to increase jobs in the state by 200,000 over five years; 2) increase family incomes by 25% over five years; 3) 15% reduction in the cost of government; and 4) to restore education to the best in the nation. A fifth goal added soon thereafter was for Iowa to become the healthiest state in the nation according to the well-being index.

Bousselot said since the 1900s there are only eight states in the union that have failed to grow in population by 100% and Iowa is one of those states. In fact, there is only one state that has failed to grow by 50% of its 1900s population and that is Iowa as well. Bousselot said by 2040 there will be 60 counties with more people aged 65 and older than eighteen and younger. Currently there is only one county today with this statistic.

Bousselot said to accomplish his broader goals this year, the Governor has focused his agenda on: 1) comprehensive property tax reform; 2) education reform; and 3) goals to become the healthiest state in the nation.

Bousselot said regarding the goals to become the healthiest state in the nation, Iowa needs to recruit more health care professionals and doctors throughout the state. Iowa is last in the nation in OB/GYN and psychiatrists per 100,000 residents. Bousselot

provided information on the Governor's desire to expand access for the rural physician loan repayment program, increase residency funding, and tort reform.

Vermeer explained the four key goals in the Healthy Iowa plan: 1) healthy outcomes; 2) financial sustainability; 3) increased coverage; and 4) personal responsibility. Boussetot explained the details of the plan including the financing; target group; coverage vehicle and network; benefits; personal and health responsibility mechanisms; and delivery system reform to improve quality and efficiency of care (affordable care organizations). (An informational handout had been sent earlier to members and is on file in the Director's Office.)

Boussetot explained to Council the reason the Governor favors the Healthy Iowa Plan rather than Medicaid expansion. The Governor wants to offer medical coverage for Iowans but have it be done in a way that doesn't over promise and under deliver.

Spading said system delivery reform is going to happen regardless of which plan is chosen. She asked if the Healthy Iowa Plan is enacted, is it correct that the state will not receive some federal Medicaid matching dollars? Boussetot responded the state would rely on the normal Medicaid match. Spading said she agrees with the incentives in the Healthy Iowa Plan but does not agree with not taking the 100% federal funding for the first three years to help with the financing of the infrastructure of the program. Boussetot explained the financial risks associated with a complete Medicaid expansion.

Council and staff had a lengthy discussion on outcomes as well as how you might change health related behaviors for all aspects of the population.

Honkamp asked if there are states that have had incentives for people to better deal with better health outcomes. Vermeer provided information on the Indiana waiver as well as the incentives in the commercial sector.

Richardson said regardless of which system is chosen, the health care system as it currently stands, is broken and some would say unsustainable. He said he likes the model for accountable outcomes as it deals with many of the current problems and tries to come up with a system that would be sustainable. Richardson also likes the personal responsibility factor but questions the tax credits.

Council and staff discussed the IowaCare population and the transition plan for those members; the differences between the Healthy Iowa Plan and Medicaid expansion including the financing; education and outreach efforts; affordable care organizations (ACOs); and the current plan being discussed in the Senate. Council members also acknowledged the difficulty in the decision.

Boussetot thanked the leadership at DHS, specifically Director Palmer and Medicaid Director Vermeer, for their open mindedness and innovation as well as the tremendous amount of work that has been put forth in this effort.

Palmer commented that in the last six to eight months there has been an evolution in thinking. As such, he is very optimistic that the legislature and the Governor will move forward with an improved health care system.

LEGISLATIVE UPDATE

Sally Titus, Deputy Director, said a number of the Department bills are in conference committees at the moment: Health and Human Services; Standings Bill; and the Rebuild Iowa Infrastructure Fund (RIIF). She provided an update on each of the bills.

Regarding the Health and Human Services bill, the House and the Senate are currently \$106 million apart in general funds for the Department. The major difference is the Senate has provided rate increases for child care providers, Medicaid providers, and child welfare providers which the House has not. The Senate also assumes woodwork effect in the Medicaid program as a result of health care reform and a continuing awareness of individuals needing health care coverage. In addition, the Senate funds Field Operations at a higher level. Staff are reviewing all scenarios.

Titus also updated Council on the Standings Bill as well as the Rebuild Iowa Infrastructure Fund (RIIF). The RIIF bill has funding for three major information technology projects for DHS: 1) ICD 10 claims processing project that impacts all health care providers; 2) replacement of the Medicaid Management Information System (MMIS) that pays all the claims; and 3) the Elias System (the eligibility system for income maintenance programs.)

Titus provided information on differential response and noted Division Administrator Wendy Rickman will provide Council a more in-depth update at its June meeting. She also noted Director Palmer will be providing Council an update on the county attorney bill during his report.

Palmer added that overall appropriation targets, at this point, have not been determined. He noted the struggles within the DHS budget are Medicaid and the public funding of abortions.

DIFFERENTIAL RESPONSE

Due to time constraints, the update on differential response will be provided at the June 12th meeting.

COUNCIL MEMBERS' UPDATE

Yoder requested Council be updated next month on the PACE program. She also noted that she is completing her Master's Program and her very last class is public policy.

Peltan again welcomed new members. He thanked staff for their presentations today and noted it was a great discussion.

Peltan discussed the possibility of traveling to Mt. Pleasant MHI the afternoon of October 8 and the morning of October 9th. It was the consensus of the Council to put this on their schedule.

DIRECTOR'S REPORT

Director Palmer said it is important to visit DHS entities, but Council may want to consider visiting other agencies that DHS funds to see how they operate and their role in the system. Eyerly Ball Community Mental Health Center, Broadlawns Medical Center, and Orchard Place in Des Moines were suggested as possibilities. The Children's Home in Waverly is also another possibility. It was the consensus of the Council they visit Eyerly Ball at their August 14th meeting.

Palmer commented on the presentations at the Council's orientation yesterday. He said he was struck by the quality of staff working for DHS as well as their dedication, passion, and commitment to their program areas.

Palmer also updated Council on the county attorney issue. He said the issue is the role of the county attorney and the role of DHS to provide the best legal protection and process for children and families. Meetings have been held these past several months with Attorney General's Office staff, DHS staff, and county attorneys. A compromise was reached that the county attorney(s) shall represent the state in proceedings arising from a petition but if there is a disagreement between DHS and the county attorney regarding the appropriate action to be taken, DHS may request that the state be represented by the Attorney General in place of the county attorney. The county attorney may then continue to appear in the proceeding and can state their position regarding the appropriate action to be taken. The AG's Office, DHS staff, and the county attorney(s) will meet semi-annually to assist this implementation.

Titus provided the DHS web site to Council: www.dhs.state.ia.us. The site is now showing integrated health home information as earlier requested.

Council members also requested further information regarding:

- Number of collective bargaining employees as well as number of supervisory staff;
- LSA link to budget development;
- Line item budget information;
- Division strategic plans;
- Explanation of Medicaid for Employed Persons with Disabilities;
- Recidivism rates for MHIs;
- Composition of health home teams and how they are developed as well as Magellan's involvement;

- Health home standards, processes, accountability, and information from workgroups, (specifically children's workgroup)
- Future agenda items: 1) autism activities; 2) the PACE Program; and 3) differential response

NEXT MEETING

The next meeting of the Council of Human Services will be held June 12, 2013, in Des Moines.

A motion was made by Yoder to adjourn and seconded by Hansell. MOTION UNANIMOUSLY CARRIED.

Council adjourned at 12:10 p.m.

Submitted by,

Linda Miller
Recording Secretary